



MILITARY AND VETERANS UPDATE

ROD GRAMS

UNITED STATES SENATOR ■ MINNESOTA

United States Senate
WASHINGTON, DC 20510-2304

Dear Minnesota Military Personnel and Veterans,

On Memorial Day, during remarks at the annual observance at Fort Snelling National Cemetery, I recalled the way communities all across America used to come together to honor their soldiers each Memorial Day. For too many people, however, what should be a solemn observance has become lost in a rush of summer activities.

With the support of Minnesota's veterans and military community, I am co-sponsoring legislation to restore the observance of Memorial Day to its traditional date of May 30. Memorial Day was intended as a time to honor the sacrifices made by this nation's war dead in the name of freedom – not just an excuse for a three-day weekend. It should be accorded the respect such an occasion demands.

A number of events took place in June, though, that appropriately called attention to the service and sacrifice of America's veterans and those currently serving in the Armed Forces. On June 4, a monument was unveiled in Periers, France depicting four American soldiers of the 90th U.S. Division, killed in action in the vicinity of Periers in 1944. I am proud that two of the soldiers portrayed in the monument, Richard E. Richtman and Virgil J. Tangborn, were Minnesotans.

On June 6, the anniversary of D-Day, our thanks went out to all those who served during the Second World War. That same day, the National D-Day Museum in New Orleans opened its doors as a fitting tribute to the 29,000 American soldiers who paid for our freedom with their lives in the Normandy invasion. The June 14 anniversary of the founding of the army as the first U.S. military service offered an opportunity to salute the army and its soldiers for 225 years of courageous fighting of our country's wars and serving honorably in peace.

As always, I thank you for your selfless contributions to our country, and I will continue to work to preserve the values for which you valiantly served. If you have any questions or concerns, please feel free to contact me.

Sincerely,

Rod Grams
United States Senator



Senator Grams congratulates members of the Minnesota National Guard at a Pentagon awards ceremony

Military Guard And Reserve Fairness Act Of 2000 (S. 2230)

Today, our nation relies heavily on Guardsmen and Reservists to support overseas contingency operations. Guardsmen and Reservists are willing to do their duty and serve when they are called, but increasingly frequent overseas deployments create tremendous hardship for them and their families, as well as their employers.

That is why I introduced the Military Guard and Reserve Fairness Act of 2000 on March 9. My legislation will extend tax relief to Guardsmen and Reservists on base pay and costs incurred during military duty overseas. It would also offer tax credits to businesses that employ guardsmen and reservists who are called up for long periods of time. We need to give our reserve forces fair treatment by improving the quality of life for them and their families. We must help their employers adjust as well, and my legislation is a step in the right direction.

Senate Approves Grams Amendment For Guard And Reserve

My amendment to the fiscal year 2001 Defense Authorization Bill, cosponsored by Senators McCain, Allard, Sessions, Ashcroft, Warner and Levin, addresses quality of life issues. It extends space required travel to the Guard and Reserve for travel to duty stations both inside and outside of the United States. It also provides the same space available travel privileges for the Guard, Reserves, and dependents that the armed forces provides to retired military and their dependents. My amendment gives them the same priority status and billeting privileges as active duty personnel when traveling for monthly drills. It raises the annual reserve retirement point maximum, upon which retirement pensions are based, from 75 to 90. Finally, it extends free legal services from Judge Advocate General officers for a time equal to twice the length of their last period of active duty service. The dramatic increase in overseas active-duty assignments merits the extension of military benefits for our Nation's citizen soldiers.

A second amendment I introduced exempts nurse officers, chaplains, and JAG officers, and medical and dental officers from the grade ceiling limits below Brigadier General on the same basis as active duty personnel. This amendment restores fairness to Guard and Reserve members and alleviates retention problems.

Ensuring And Improving Health Care For Veterans

Just as Americans once united in wartime, we are now united in peace, working together to create a government strong enough to meet the needs of its veterans today, while it safeguards the freedom our veterans ensured for us. The benefits earned by veterans, such as health care, are modest compensation for the sacrifices they made on behalf of the nation. I will continue to work to ensure that veterans receive the benefits they have been promised for their service-connected injuries.

Increased Funding a Priority

I share many of the concerns raised by veterans about the President's disappointing budget proposal. For fiscal year 2001, the President requested a \$1.5 billion increase in spending above this year's level to \$47.5 billion for all VA programs. With your help, we can work to achieve more of an increase as the appropriations bill works its way through Congress.

Johnson Amendments

As you may know, Senator Tim Johnson from South Dakota proposed two amendments to the Budget Resolution that addressed increased health benefits for veterans. The first of these, which I proudly supported, created a reserve fund, with no amounts specified, to be used for improving and expanding benefits. The Budget Resolution conference committee, however, unexpectedly placed a \$400 million cap on the reserve fund over a five-year period.

The second amendment that Senator Johnson proposed \$500 million above the \$1.4 billion submitted by the Clinton Administration for veterans health care. The amendment passed 100-0. Unfortunately, the conference committee did not include the provision in the final resolution. This was extremely disappointing, but with your assistance we can urge the Appropriations Committee to increase veterans health spending above the President's insufficient level.

Defense Authorization Bill

The Senate Defense Authorization bill for Fiscal Year 2001 includes several provisions that take steps to improve health benefits for veterans. While the final bill has yet to be passed by the Senate, I am pleased with the commitment of the Senate Armed Services Committee in seeking solutions to improving access to quality health care for America's veterans.

Johnson Amendment

Senator Tim Johnson proposed an amendment that would expand the Federal Employees Health Benefits Plan (FEHBP) to all military retirees. However, the Johnson amendment failed on a procedural vote. I voted in favor of this important amendment and was disappointed it failed. Senator Warner offered an alternative amendment that would expand the TRICARE program to all military retirees through 2003. I joined 96 of my colleagues in support of the amendment. I am hopeful that the conference committee will include the language in the final authorization bill and allow Senators the opportunity to make good on a promise to our military retirees through the provision of health benefits to them and their families.



Senator Grams talks to veterans at a Memorial Day Service

Medicare Subvention Expansion

A top priority for veterans is to provide VA the authority to collect and retain Medicare dollars. It is critical to VA's survival – and the veterans who depend upon it – and a necessary step in reforming both the VA health care system and the Medicare system.

The TRICARE Senior Prime program was established to allow VA to receive Medicare reimbursement for those eligible veterans who choose to receive medical care at VA facilities. While the original demonstration program was limited to six sites, the authorization bill recommends an expansion of the program to major medical centers operated by the Department of Defense, and would extend the program through 2005.

“Medicare subvention,” or allowing VA to collect and retain Medicare dollars, is an appropriate way to increase funding for VA and is critical to its survival. Most importantly, this program rewards efficiency within the VA health system and provides access to quality health care for more eligible veterans. I will continue to monitor the demonstration program and push for its expansion.

Prescription Drugs

The Senate Armed Services Committee recommended a provision that authorizes a pharmacy benefit for eligible military beneficiaries, including those eligible for Medicare. The provision would authorize a national mail order program and a retail pharmacy network. The mail order program would require no deductible or cost-sharing, while the retail network would require only a 20 percent co-payment. This new program would replace the current base realignment and closure pharmacy benefit. This is a positive step toward providing our older retirees access to quality health care benefits and services.

Minnesota Military Construction

I worked hard to ensure that two important Minnesota projects are being funded by Congress: Phase II of Camp Ripley's Combined Support Maintenance Shop (CSMS) and a new Army National Guard Training and Community Center (TACC) in Mankato.

Last year, I succeeded in getting the Camp Ripley project authorized by Congress. Unfortunately, while I managed to have the funding appropriated in the Senate bill, the House stripped out the funding during Conference. I am pleased the \$10.3 million for the Camp Ripley project is in both the Senate and House versions of the Military Construction Appropriations bill this year, so the funds are assured. Without the completion of Phase II, the Minnesota Army National Guard's equipment readiness would be degraded and

the costs of operating multiple facilities would overwhelm Camp Ripley's operating budget.

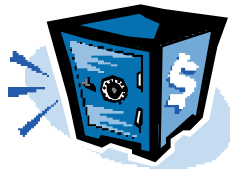
A new TACC in Mankato, Minnesota also is needed. The \$4.6 million included in the Senate and House versions of the bill will enable this to happen, and I have no doubt it will increase the recruiting and retention abilities of the local Guard unit.

Grams Offers Amendment On Winona Land Conveyance

My amendment to the fiscal year 2001 Defense Department Legislation would permit the Army to transfer an Army Reserve Center to the Winona State University Foundation to use for educational purposes. The Army would no longer be burdened by unneeded property, and Winona State would have much needed student housing.

Senator Grams' Other Priorities

Social Security: Protecting America's Investment in the Future



Saving Social Security, preserving its integrity, and ensuring security in retirement for today's senior citizens and tomorrow's retirees is a critical concern of Minnesotans. To offer every individual the opportunity to achieve wealth – and the security it affords – in their retirement years, Congress must work proactively and plan creatively. The experts agree that Social Security is a fiscal time bomb that cannot survive as we know it once the Baby Boom generation begins to retire. The biggest risk is to do nothing at all.

While politicians routinely talk about "saving Social Security," the 106th Congress is taking action. At the beginning of this year, I introduced the **Grams' Lockbox (S. 2001)**, legislation that prevents Washington from spending the Social Security surplus by locking in those dollars for their intended use: security for retirees. The **Grams' lockbox** triggers an automatic reduction in government spending, including the pay of Members of Congress, if any of the Social Security surplus is spent, returning it to the Social Security Trust Fund. As a member of the Senate Budget Committee, I offered my proposal as an amendment to the annual budget, and the **Grams' lockbox** was approved by both the Senate and the House of Representatives in April.

This was but a first step toward saving Social Security. Some in Washington propose increasing taxes, cutting benefits or boosting the retirement age so Social Security can limp into the future. But retirees deserve more than just another federal program after a lifetime of work — they should have financial security in their non-working years. That is why I introduced the **Personal Security and Wealth in Retirement Act (S. 1103)**. My legislation offers Americans the option of participating in personal retirement accounts, while guaranteeing minimum retirement benefits. I have outlined this proposal in more than 50 town hall meetings held across Minnesota in the past year, and the response from every age group, in every community, has been extremely enthusiastic. For more information about my efforts to ensure retirement security for all Americans, please visit my special "Social Security: America's Investment in the Future" web page at: <http://www.senate.gov/~grams/>. You may also be interested in attending an event where I will be appearing with Jose Pinera, Chile's former Secretary of Labor and Social

Security, who was the architect of that country's successful privatization of its pension system, July 6, at the Minneapolis-St. Paul Airport Hilton at 6:30 p.m.

Tax Relief: Returning Power (And Dollars) To The People



I have made cutting taxes for Minnesota's overtaxed families my top priority in the U.S. Senate, and was the driving force behind enactment of the **\$500 per-child tax credit**. This measure took full effect this past year and has resulted in the largest tax relief effort since the Reagan Administration's tax cuts in 1982. More importantly, the \$500 per child tax credit is putting \$22 billion back into the pockets of American families each year – \$500 million for Minnesota families alone. Thanks to the \$500 per-child tax credit and several minor tax initiatives enacted over the past five years, Congress has successfully lowered the overall tax burden for many families.

But taxes are still far too burdensome. I worked hard to return some of the tax overcharges to the taxpayers in this year's budget. This tax relief would total \$150 billion over five years. It calls for relief from the marriage penalty tax, a tax incentive for affordable education, health care tax relief, small business tax relief, and repeal of the Clinton/Gore fuel taxes. We will not know until later this year, during final negotiations between Congress and the Administration, how successful our efforts will be to cut taxes for working Americans. ***Your participation in this debate could mean success or failure. If you agree with me that Congress should pass tax relief for hard-working middle-class taxpayers, write, email, or call your Congressional representatives and the President today!***

The tax code itself is unfair, too complicated and unfriendly to the taxpayer. Ultimately, cutting taxes will not fix the enormous problems inherent in our tax system. To restore fairness, we must rip out the entire tax code and replace it with something fair, friendly, and easy to understand. Minnesotans should never have to face another April 15 again, with all its forms, fears, and frustrations. I will continue to pursue this goal.

Education: Freedom, Flexibility, And A Local Focus Needed



The best education is a local education, taught by caring teachers, supported by involved parents, and nurtured by local school districts with the flexibility to meet local needs. Washington needs to understand that a student's best friend is a book or an Internet connection, not a federal bureaucrat.

The **Education Flexibility Partnership Act (S. 280)** is an example of returning educational choices to the local level. The bill, passed by both the House and Senate and signed into law, extends into every state the power of the "Education Flexibility Partnership Demonstration Program," otherwise known as "Ed-Flex." Ed-Flex allows eligible local school districts to forgo the federal red tape that consumes so many precious education dollars. Moreover, the best way to help teachers teach is to give them the freedom, flexibility, and resources to get their job done without undue interference and federal strings.

One of my major concerns whenever Congress takes up the education debate is making sure that Minnesota taxpayers get their money's worth. Too much of Minnesotans' education tax dollars are consumed by federal administrative requirements. In fact, Minnesotans lose over \$60 million yearly because of unfavorable distribution formulas. Consequently, among amendments to the **Elementary and Secondary Education Act** that I have proposed or cosponsored is one that would help address this imbalance and provide Minnesota a better return on the federal tax dollars we commit to the Washington bureaucracy.

Parents and teachers, not Washington bureaucrats, have the greatest stake in the education of Minnesota children, and we must make sure they are not stifled by one-size-fits-all federal mandates. I will continue working to keep more of your tax dollars in the classrooms and keep education decisions at home.

Agriculture: Preserving Our Rural Heritage, Promoting Economic Opportunities



As someone who grew up on a dairy farm, I understand the concerns of Minnesota farmers. I have met on countless occasions with farmers, rural lenders, and small business owners to discuss issues important to agriculture and the rural economy. I have taken suggestions from these meetings and drafted legislation – encompassed within my Farm and Town Empowerment Plan – that promotes the economic opportunities our farmers and rural communities deserve.

The best way to help our farmers is to get Washington out of their way, while preserving a safety net for the inevitable tough times. That safety net was strengthened with the recent enactment of crop insurance reform. This legislation, modeled after my Crop Insurance Reform Act, is a vital and long-overdue tool in helping farmers through difficult periods of crop failures and managing their risk in periods of low prices. This legislation also contained \$7.1 billion in emergency aid to producers. In addition, I was able to convince Congress to include emergency aid to dairy farmers, which will be part of the annual agriculture spending bill.

As Congress begins to work on a new farm bill, antiquated and outdated policies must be removed from the books. For example, I have introduced legislation that would reform federal dairy policies that prevent Minnesota dairy farmers from receiving a fair price. We should dispense with dairy compacts that hurt farmers and consumers alike, and inject fairness back into the federal milk marketing orders. Other steps that need to be taken include:

- extending marketing assistance loans,
- flexibility in "locking in" Loan Deficiency Payments,
- reducing taxes and regulatory burdens on farmers,
- expanding markets abroad,
- addressing concerns regarding concentration in agriculture, and
- allowing farmers the option of placing land into shorter-term easements as part of the Conservation Reserve Program.

I will keep pressing Congress in the months ahead to give farmers the tools they need to compete fairly with producers from across the country and around the globe, regardless of geographic region or commodity.

CONTACTING ROD GRAMS



Your input is vital to the success of these and other initiatives Congress may consider, and, as always, I encourage you to contact me with your comments and suggestions.

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